

T-418



COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON 25

The Honorable  
The Secretary of the Interior  
My dear Mr. Secretary:

There are transmitted herewith two copies of report of examination by the General Accounting Office of the accounts and related records of the Area Office, Bureau of Indian Affairs, ~~the~~ Portland, Oregon.

I would appreciate your views and comments on the matters reported, as well as advice of any action you may deem appropriate, with particular reference to those listed in the attached summary as "Matters requiring further consideration".

Sincerely yours,

Frank L. Ydies

Acting Comptroller General  
of the United States

Enclosures



/out

GENERAL ACCOUNTING OFFICE  
Office of Investigations

REPORT NO. I-17163

Report of examination of the accounts and related records of the  
Area Office, Bureau of Indian Affairs, Portland, Oregon.

SUMMARY OF REPORT

A. MATTERS REQUIRING FURTHER CONSIDERATION	PAGE
1. Cash balances in the special disbursing agent's account (including special deposits and moneys other than balances in the individual Indian moneys account by agency) invested in public debt obligations of the United States. (See 25 U.S.C. 162a).	9-11
2. Interest carried in the disbursing agent's undistributed interest account has not been transferred semiannually as required by Section 248(h.4), Indian Service Manual. Instead this fund has been accumulated to use as a fund to pay the premium on the purchase of group securities.	10-11
3. Inadequate procedures followed in accounting for securities.	12
4. Automobile sold in June 1950, for which the proceeds do not appear in the accounts. Disposition of the car was inefficiently handled with resultant loss to the Government because the car was allowed to remain exposed to weather conditions for a long period of time pending action to sell, and depreciated in value from some \$950 to \$351.	13-15
B. MATTERS ON WHICH CORRECTIVE ACTION WAS PROMISED OR TAKEN	
5. Improper preparation of account current	5
6. Incorrect preparation of statement of depositary account. (General Regulations No. 91.)	6
7. Improper procedures in cancelling and voiding checks. (General Regulations No. 91.)	6

Manual, nor were the amounts of the checks or check numbers recorded on the letters of transmittal. The Umatilla agency deposited the proceeds as in the past and reported the collection to the area office, but the Yakima agency returned the checks to the Bureau, which in turn returned them to the area office for disposition.

In discussing the aforementioned procedural deficiencies with the finance officer, he brought out the fact that the present Indian Service Manual is incomplete and does not reflect current operational trends, but that the Bureau with assistance from the General Accounting Office, Accounting Systems Division, is developing a new accounting system to be put into effect in the near future.

#### Collections

There is shown hereafter an analysis of the collections received by the area office and the entire area serviced by this office for the period October 26, 1950, to November 27, 1950:

<u>Account</u>	<u>Area Office</u>	<u>Entire Area</u>
66.10 Special Deposits - Miscellaneous Collections	\$	\$
143149 - Interest on other loans to Indians .....	2.18	
144534 - Medical, dental and hospital service .....	88.90	
144592 - Fees, service performed for Indians .....	52.00	
144593 - Fees, sale of timber .....	25,740.20	
145195 - Sale, scrap and salvage .....	4.00	
145511 - Recoveries, Government property lost or damaged .....	12.50	
145511 - Repayment of principal on loans for Indian rehabilitation .....	61.66	
145560 - Recoveries, on account of reimbursable appropriations made for Indian tribes (14723 Industry among Indians 1934) .....	180.00	
147200.481 - Proceeds of labor, agency .477 - " " " "	55.50	
.486 - " " " "	3,385.52	
.660 - " " " "	30.00	
.661 - " " " "	160.44	
.707 - " " " "	1,534.07	
.737 - " " " "	274.21	
147217 - Proceeds of labor, Indians ....	4.00	
147219 - " " " " ....	3.00	
	262.39	

<u>Account</u>	<u>Area Office</u>	<u>Entire Area</u>
Carried forward.....\$		\$ 31,632.26
147313 - Proceeds of labor, Indians ...	9.00	
147327 - " " " "	2.50	
147462.1 - " " " "	17,387.47	
147473.1 - " " " "	3,493.10	
148240.360 - O & M Indian irrigation systems .....	17.81	
.368 - O & M Indian irrigation systems .....	72.00	
.371 - O & M Indian irrigation systems .....	90.00	
.377 - O & M Indian irrigation systems .....	1,821.43	
1482014 - S & E Field Administration, 1950	5.70	
1412016 - Administrative expense, Indian Service, 1951 .....	50.00	50.00
1417204 - Proceeds of labor, Colville Indians .....	<u>      </u>	<u>680.92</u>
Total Miscellaneous Collections \$ 50.00		\$ 67,464.21
66.10 Special Deposits, Bid Deposits, Advance Timber Sale Deposits, etc. ..	9,712.41	290,725.15
66.20 Special Deposits, Individual Indian Money (net) .....	<u>      </u> 20.00	<u>      </u> 462,678.51
Total Cash Collections .....\$ 9,732.41		\$ 800,867.76
66.30 Securities -		
Individual .....		18.75
Group .....	<u>100,000.00</u>	<u>1,200,000.00</u>
Total Collections, Cash and Securities .....	<u>109,750.41</u>	<u>\$ 2,000,886.51</u>

#### Securities

The act of June 24, 1928, 25 U.S.C. 162a, authorized the Secretary of the Interior to invest trust funds of any tribe or individual Indian in any public debt obligations of the United States. However, it has become the practice to exceed this authority by investing all monies in the special disbursing agent's account in excess of cash balance sufficient only to meet estimated current disbursement needs. Tribal trust funds are those funds on deposit in the Treasury to the credit of the